

October 25, 2002

A Tax Cut for Whom?

To the Editor:

Re "Springtime for Hitler," by Paul Krugman (column, Oct. 18): I stand by my call for unbiased tax data in policy debates.

Some observers claim that 40 percent of last year's tax cuts went to the top 1 percent of taxpayers. The Joint Committee on Taxation, Congress's official, unbiased source, says the top 1 percent will receive 27 percent of the income tax cuts in 2006, the latest projection available. Taxpayers with incomes of \$200,000 and less will receive the majority of the tax-cut benefits, with 67 percent.

The real story is that despite those cuts, the top 1 percent of taxpayers will still pay 33 percent of federal income taxes. They will receive a lower share of the income tax cut, 27 percent, than their burden, 33 percent.

The joint committee says the taxpayers who will receive the greatest reduction in their tax burden have incomes between \$10,000 and \$40,000. Those with incomes between \$10,000 and \$20,000 will enjoy a reduction of 13.6 percent. Those with incomes of more than \$200,000 will see their burden reduced by 6.1 percent. Intellectual honesty demands putting tax data in context.

CHUCK GRASSLEY

Washington, Oct. 24, 2002

The writer is the ranking Republican on the Senate Finance Committee.